

Record Series Production in August and September provides positive outlook for strong finish to 2023

Third Quarter 2023

- **Revenue for Period:** SEK 40.3 million (SEK 29.8 million), up 35% year-on-year. Recurring revenue from Engine Equivalents increased by 37% to SEK 37.3 million (SEK 29.2 million)
- **Operating Result:** SEK 14.3 million (SEK 11.1 million), up 29%, yielding 35.5% Operating Margin after non-recurring costs of SEK 2.4 million
- **Earnings per Share:** SEK 2.00 per share (SEK 1.55 per share), up 29%
- **Cashflow from Operations:** SEK 12.2 million (SEK 10.7 million), up 14%
- All-time high of 4.5 million annualised Engine Equivalents in September
- Record production of 4.2 million annualised Engine Equivalents in third quarter provides tenth consecutive quarter of year-on-year production increase

Year-to-Date 2023

- **Revenue for Period:** SEK 98.5 million (SEK 85.8 million), up 15% year-on-year, benefitting from 7.5% year-on-year production increase, strong consumables sales and favourable exchange rates
- **Operating Result:** SEK 27.1 million (SEK 22.6 million), up 20%
- **Earnings per Share:** SEK 3.76 per share (SEK 3.57 per share), up 5%
- **Cashflow from Operations:** SEK 34.7 million (SEK 13.3 million), up 161% following improved payment terms at major customer
- **Dividend Payments:** Second installment of SEK 2.75 per share to be paid on 15 November with record date of 10 November
- **Installed Base:** 56 (57) installations, (25 (25) fully automated systems, 24 (25) mini-systems and seven (seven) tracking systems) in 13 (13) countries

Key Facts and Figures

AMOUNTS IN SEK MILLION, unless otherwise stated	July–September			January–September		January–December	
	2023	2022	%	2023	2022	2022	2021
Annualised Engine Equivalents, millions	4.2	3.6	17%	3.7	3.5	3.5	3.1
Recurring revenue*	37.3	29.2	27%	93.7	83.3	113.4	97.4
Revenue**	40.3	29.8	35%	98.5	85.8	118.7	107.4
Gross margin, %	76.4	77.9	-2%	74.2	74.8	73.1	70.9
Operating result	14.3	11.1	29%	27.1	22.6	30.6	29.5
Operating margin, %	35.5	37.2	-5%	27.5	26.3	25.8	27.4
Earnings per share, SEK**	2.00	1.55	29%	3.76	3.57	4.68	4.64
Dividend per share, SEK	-	-		2.75	2.50	5.00	4.00

* Recurring revenue from production fees, consumables and software licence fees

** According to IFRS. All other key ratios and share data are defined as Alternative Performance Measures (APMs).

With effect from the 4Q 2022 Interim Report, USD/SEK forward contracts have been reclassified from 'financial net' to 'other operating cost/income'. Comparison figures have been adjusted.

Definition of key ratios can be found after "Key Ratio and Share Data - Group" in this Report.

CEO Message

Strong Production, Strong Outlook

Reflecting on our journey over the last thirty years, the third quarter stands out as a highlight. After celebrating our achievement of the four million Engine Equivalent milestone in June, the third quarter started strong with our highest July on record. The momentum continued to increase, with consecutive monthly records of 4.3 million annualised Engine Equivalents in August and 4.5 million in September. Ultimately, annualised production for the third quarter finished at 4.2 million Engine Equivalents, providing a new quarterly record, 17% year-on-year growth and marking our tenth consecutive quarter of year-on-year growth.

The recent strong production also boosts the full-year outlook. At the three-quarter point, year-on-year series production is up 7.5% and, with two months left in the year, the current production provides the opportunity to post yet another year of double-digit series production growth.

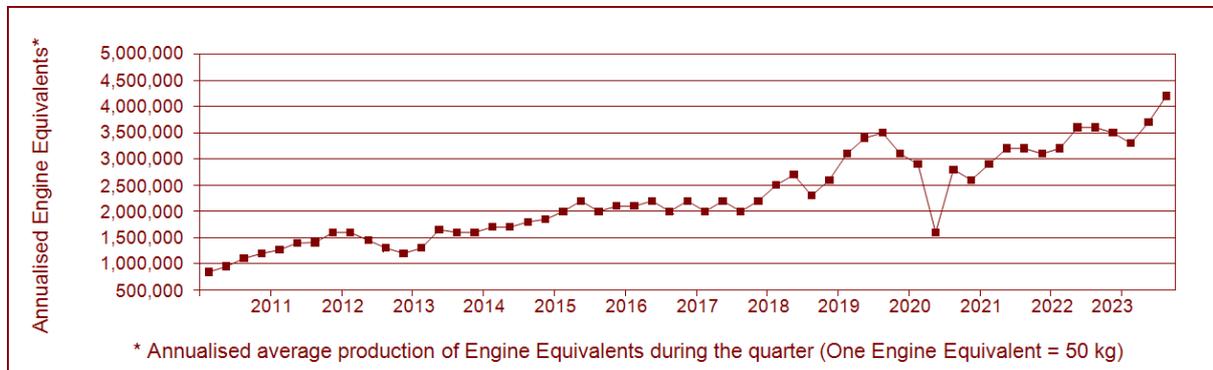
Consumable shipments were also strong during the third quarter, up 40% compared to the year-ago quarter. Initially, year-on-year consumable shipments were down 32% at the end of the first quarter, as key customers reduced stock levels following the post-Covid normalisation of supply chains. However, the recent strong demand has pulled the year-to-date volume 2% ahead of 2022. In total 145,600 Sampling Cups have been shipped year-to-date, with 63,000 units accounted for in the third quarter.

Together, the increases in series production and consumables sales, combined with favourable exchange rates, resulted in a 35% quarterly increase in year-on-year revenue and a 15% increase in year-to-date revenue. The strong growth in series production and consumables sales also resulted in a 27% increase in year-on-year recurring revenue to SEK 37.3 million. The increase in recurring revenue, paired with a stable gross margin of 76.5% for the quarter, exemplifies the soundness of our business, with growing volume and steadily increasing profits. Operating margin for the quarter finished at 35.5%, well above our current target of 30% and setting a marker toward our long-term goal of 40%.

Together, the increases in series production and consumables sales, combined with favourable exchange rates, resulted in a 35% increase in year-on-year revenue and a 15% increase in year-to-date revenue.

Production was strong on all fronts in September, with increased volume for the new Traton Group commercial vehicle engine and no impact from the UAW strike against the Detroit 3 automakers (Ford, GM and Stellantis) that began in North America on 14 September.

At the outset of the strike, SinterCast had potential exposure with three high volume engine programmes at Ford and one high volume programme at Stellantis. The strike against Ford was resolved on 26 October, with no interruption of SinterCast volume. The strike against Stellantis was resolved on 28 October, also with no interruption of the SinterCast volume. The negotiated terms at both Ford and Stellantis are currently being voted upon by the UAW members. The result of the ratification votes is expected to be known during mid-November. The strikes at Ford and Stellantis focussed on vehicle assembly plants while the SinterCast engine production is conducted at separate facilities that were not affected by the strike.



With record production in August and September, series production for the third quarter finished at 4.2 million Engine Equivalents, providing a new all-time high and ten consecutive quarters of year-on-year growth.

During the quarter, in-house activities intensified to strengthen the supply base to support the future market growth. The activities are related to the ordering of tooling for the production of the patented Sampling Cup, including new tooling at the current sole supplier in Sweden after 24 years of continuous production, and the ongoing development of a second source for Sampling Cup production in Slovakia. To date, the total capital investments for these proactive expansions amounts to approximately SEK 3.7 million, of which SEK 1.7 million was allocated to the third quarter. These activities are expected to be completed before year-end, assuring the long-term security of supply.

Upturn in Installation Activities

The initial commissioning of the System 4000 CGI installation at the Dongfeng Auto foundry in China during September provided SEK 2.5 million in installation revenue, increasing the year-to-date installation revenue to SEK 3.9 million. As a greenfield foundry, the initial commissioning was done during the construction phase and the final commissioning and training will be completed during early-2024 when the foundry becomes operational. The current installation opportunities also include an ongoing extended trial of a CGI mini-system for the industrial power sector that has the potential to result in a system sale before year-end. Despite lower than normal installation revenue in 2022 and 2023, it is expected that the current opportunities will enable the average installation revenue during the 2024 to 2025 period to return to the historical level of approximately SEK 8 million per year.

Climate Contribution

The third quarter volume corresponds to the production of approximately 300,000 vehicles, of which more than 95% are commercial vehicles, pick-up trucks and off-road equipment. Throughout their service lives, these fuel-efficient vehicles will contribute to the cumulative saving of more than three million tonnes of CO₂. At the three-quarter point, we forecast that our total CO₂ contribution for full-year 2023 will be more than nine million tonnes. This will increase our cumulative savings to approximately 59 million tonnes, bringing us another step closer to our five-year target of saving 100 million tonnes of CO₂. In perspective, Tesla reported combined CO₂ saving from its global fleet of cars, energy storage systems and solar panels of 13.4 million tonnes in 2022.

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Succession Plan Announced

On 20 September, SinterCast announced the recruitment of Dr Vítor Anjos. A Portuguese citizen born in 1982, Dr Anjos has considerable experience in the international foundry and automotive industries and is a specialist in the core SinterCast fields of cast iron thermal analysis and process control. He will join the company on 1 January in the capacity of Operations Director and as a member of the executive management team. The recruitment provides an in-house succession path for the current CEO, planned for the 2026 Annual General Meeting.



Dr. Steve Dawson
President & CEO

SinterCast is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). The properties of CGI enable improved transport solutions, increasing efficiency and reducing carbon emissions in passenger vehicle, commercial vehicle and industrial power applications. As a specialist supplier of precision measurement and process control solutions to the metals industry, SinterCast also supplies the SinterCast Ladle Tracker[®] and SinterCast Cast Tracker[®] technologies, to improve production efficiency and Industry 4.0 traceability in a variety of applications. With 56 installations in 13 countries, SinterCast is a publicly traded company, quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange (SINT). For more information: www.sintercast.com

Financial Summary

Revenue

The revenue for the SinterCast Group relates primarily to income from series production, equipment, and engineering service.

Revenue Breakdown (Amounts in SEK million)	July–September		January–September	
	2023	2022	2023	2022
Recurring revenue from series production ¹	37.3	29.2	93.7	83.3
Equipment ²	2.9	0.3	3.9	1.3
Engineering service ³	0.2	0.3	0.9	1.2
Total	40.3	29.8	98.5	85.8
<i>Number of Sampling Cups shipped</i>	63,000	45,100	145,600	142,400

1. Recurring revenue from production fees, consumables and software licence fees
2. Revenue from sold and leased CGI and Tracking systems and spare parts
3. Revenue from engineering service, demonstrations and test pieces

The **July–September 2023** revenue increased by 35% to SEK 40.3 million (SEK 29.8 million). Recurring revenue from series production increased by 27% and amounted to SEK 37.3 million (SEK 29.2 million), following annualised series production of 4.2 million (3.6 million) Engine Equivalents and shipment of 63,000 (45,100) Sampling Cups, combined with favourable exchange rates. Equipment revenue amounted to SEK 2.9 million (SEK 0.3 million), following the initial commissioning of a SinterCast System 4000 at the new Dongfeng Auto (DFAC) foundry in China. Engineering Service amounted to SEK 0.2 million (SEK 0.3 million). Exchange differences had a positive effect of SEK 1.4 million (4%) on revenue during the period.

The **January–September 2023** revenue increased by 15% to SEK 98.5 million (SEK 85.8 million). Recurring revenue from series production increased by 12% and amounted to SEK 93.7 million (SEK 83.3 million) following annualised series production of 3.7 million (3.5 million) Engine Equivalents and shipment of 145,600 (142,400) Sampling Cups, combined with favourable exchange rates. Equipment revenue amounted to SEK 3.9 million (SEK 1.3 million). Engineering Service amounted to SEK 0.9 million (SEK 1.2 million). Exchange differences had a positive effect of SEK 5.6 million (6%) on revenue during the period.

Results

The business activities of SinterCast are best reflected by the Operating Result. This is because the “Result for the period after tax” and the “Earnings per Share” are influenced by the financial income and costs and by the revaluation of tax assets.

Results Summary (Amounts in SEK million if not otherwise stated)	July–September		January–September	
	2023	2022	2023	2022
Gross margin, %	76.4	77.9	74.2	74.8
Operating result	14.3	11.1	27.1	22.6
Operating margin, %	35.5	37.2	27.5	26.3
Result for the period after tax	14.2	11.0	26.6	25.3
Earnings per share (SEK)	2.00	1.55	3.76	3.57

The **July–September 2023** operating result increased by SEK 3.2 million to SEK 14.3 million (SEK 11.1 million). The gross result increased by SEK 7.6 million primarily due to increased revenue and a 1.5% decrease in gross margin percentage to 76.4% due to increased expenses related to procurement and engineering service. Operating costs increased by SEK 2.7 million primarily related to impairment costs in capitalised development (SEK 2.0 million) and severance payments (SEK 0.4 million), both linked to the decision to withdraw from the active development of Tracking Technologies. Other operating costs and income combined decreased by SEK 1.7 million due to movements in foreign currencies as revaluation gains in 3Q 2022 reverted into losses in 3Q 2023. The result for the period after tax increased by SEK 3.2 million to SEK 14.2 million (SEK 11.0 million), primarily due to the SEK 3.2 million increase in operating result.

The **January–September 2023** operating result increased by SEK 4.5 million to SEK 27.1 million (SEK 22.6 million), due to the combined effect of a SEK 8.8 million increase in gross margin, SEK 5.9 million increase in operating costs and decreased other operating cost and income of SEK 1.6 million. The increase in operating costs is related to personnel increases to secure the transition for two employees who retired during first half of 2023, costs related to the GIFA world foundry trade fair, held every four years and impairment costs in capitalised development and severance payments related to Tracking Technologies. The result for the period after tax increased by SEK 1.3 million to SEK 26.6 million (SEK 25.3 million), primarily due to the SEK 4.5 million increase in operating result and lower tax income of SEK 3.1 million following the revaluation of the deferred tax asset in 2022.

Cashflow, Liquidity and Investments

The **January–September 2023** cashflow from operations increased by SEK 21.4 million, compared to the same period last year, due to increased cashflow before working capital of SEK 5.8 million and a SEK 15.7 million decrease in working capital. The working capital decrease is primarily due to a SEK 11.9 million decrease in customer receivables following reduced payment terms with a major customer from 90 days in 2022 to 60 days in 2023 and improved cashflow of SEK 5.9 million from inventory. Total investments amounted to SEK 5.1 million (SEK 2.0 million). Following the dividend payment of SEK 19.5 million, total cashflow amounted to SEK 8.9 million (SEK -7.6 million). Liquidity on 30 September 2023 was SEK 23.2 million (SEK 20.0 million). The opening balance liquidity amounted to SEK 14.2 million (SEK 27.5 million). SinterCast currently has no loans. As an additional liquidity buffer, an overdraft credit facility in the amount of SEK 12.5 million was established during the fourth quarter of 2022. Together, the liquidity plus the overdraft credit facility provide effective liquidity of SEK 35.7 million.

Cashflow Summary	January–September		Δ
(Amounts in SEK million if not otherwise stated)	2023	2022	2023 vs 2022
Cashflow from operations, before change in working capital	32.4	26.6	5.8
Change in working capital	2.4	-13.3	15.7
Cashflow from operations	34.7	13.3	21.4
Cashflow from investing activities	-5.1	-2.0	-3.1
Cashflow from financing activities	-20.7	-18.9	-1.8
Cashflow total	8.9	-7.6	16.5
Liquidity, opening balance	14.2	27.5	
Liquidity	23.2	20.0	

Income Tax and Deferred Tax Asset

Tax Income for the **January–September 2023** period amounted to SEK -0.1 million (SEK 3.0 million). The estimated future taxable profit and deferred tax asset calculation is reassessed every quarter. As of 30 September 2023, SEK 248.0 million (SEK 248.0 million) of the SinterCast total carried-forward tax losses are the basis of the updated calculation, resulting in SEK 51.1 million (SEK 51.1 million) being capitalised as a deferred tax asset. The deferred tax asset calculation is based on historical ten-year average currency rates. Following the strong recent results, the historical carried-forward tax losses of SinterCast AB were fully utilised during the quarter. SinterCast will start to account for income tax in 4Q 2023. It is estimated that SinterCast will begin to pay Swedish income tax during approximately late-2027 or early-2028, depending on results and currency rates.

Risks and Uncertainty Factors

Uncertainty factors for SinterCast include the timing of OEM decisions for new CGI engines and other components, adherence to start-of-production dates and ramp projections, the global economy for new vehicle sales, technology trends and emissions legislation, the individual sales success of vehicles equipped with SinterCast-CGI components, and the possibility that the volume of existing programmes may decrease or prematurely come to end-of-life.

The increasing geopolitical instability, together with material shortages, energy costs, inflation, interest rate and economic uncertainties, and the remaining effects of the Covid-19 pandemic constitute the dominant near-term risk factors for the global foundry and automotive industries. While it is not yet possible to quantify the impact of these factors on the near-term market development, SinterCast remains confident in the long-term growth of CGI. Other factors that may influence the market risk for SinterCast and its end-user industries include the ratification of the UAW strikes in the US, the renegotiation of international tariffs and free-trade agreements on vehicle sales, climate change legislation and the associated growth of alternative powertrain technologies, and the overall demand for goods transportation. The development of AI may also increase the possibilities to develop potentially competitive technologies or to reverse engineer the SinterCast technology.

No significant risk of material adjustment to the carrying amounts of assets and liabilities has been identified at the balance sheet date and no costs have been taken to the profit and loss due to Covid-19 or the Russian invasion of Ukraine.

For additional risk and uncertainty factor information, see the SinterCast Annual Report.

Organisation

With successful high volume CGI production in customer foundries located in Europe, Asia and the Americas, SinterCast has established a global organisation with employees and offices in Sweden, the United Kingdom, the United States, China, Korea and Germany. As of 30 September 2023, the Group had 29 (32) employees, 7 (7) of whom are female. Personnel increases were previously made to secure the transition for two employees who retired during the second quarter of 2023. Further reductions in headcount and operating costs have been activated during the second half of the year. Benefitting from accumulated experience and efficiency improvements, SinterCast is well positioned to support global market activities and to drive the future growth of the company.

Parent Company

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with its registered office located in Stockholm, Sweden. On 30 September 2023, the Parent Company had 24 (26) employees. The average number of employees during the period was 25 (26). The majority of the operations are managed by the Parent Company while local operations in the United Kingdom, United States, Korea and China are managed by the local companies. The information given for the Group in this report corresponds in all material respects to the Parent Company. However, the result for the period may differ between the group and the Parent Company due to intercompany transactions between the Parent Company and its subsidiaries.

Outlook Guidance:

Over the past five months, from May through September, the average annualised series production was 4.1 million Engine Equivalents, clearly establishing four million as the new normal. More recently, annualised series production in August and September was 4.3 and 4.5 million Engine Equivalents respectively. The strong production in August and September provide the opportunity to post full-year double-digit growth. The recent production has benefited from the continued ramp of the new 13 litre cylinder block and head for the Traton Group, encompassing Scania, MAN, Navistar and Volkswagen Truck & Bus. The mature volume of the Traton programme is expected to provide approximately one million Engine Equivalents per year, with the current production accounting for less than half of the mature potential. Despite the positive market development, one of our high volume programmes will reach its end-of-life stage during the second half of 2024, causing a temporary decrease in volume. It is not yet clear if the five million Engine Equivalent milestone will be reached before the stoppage occurs. Regardless, the temporary decrease does not change our ability to surpass the five million Engine Equivalent milestone and we maintain our ambition to reach the seven million Engine Equivalent milestone. The current outlook calls for continued growth through 2030, with high volume production well beyond 2035. Following the strong recent results, it is now estimated that SinterCast will begin to pay Swedish income tax during approximately late-2027 or early-2028, depending on results and currency rates.

Previously Published (16 August 2023)

The four million milestone has been achieved and we now set our sights on reaching the five million milestone toward the end of 2025. In perspective, from the start of our series production in 1999, it took 11 years to reach the one million milestone, five years to reach two million, and four years for each of the three million and four million steps. With the planned acceleration in our production, we expect to achieve the next one million step in less than 2.5 years. Despite the positive growth outlook, it is now expected that one of our high volume programmes will reach its end-of-life stage during the second half of 2024. The expected conclusion of this programme will result in a temporary decrease in volume and a consequent delay with respect to our previous target to reach the five million milestone in 2024. Despite the temporary decrease, the production stop does not change our ability to reach the five million Engine Equivalent milestone or our ambition to reach the seven million Engine Equivalent target, with continued growth through 2030. Several installation discussions are ongoing and, although the timing of the potential new installations is not yet defined, it is expected that the current opportunities will enable the average installation revenue during the 2024 to 2025 period to return the historical level of approximately SEK 8 million per year.

The Share and Analysts

The SinterCast share has been listed and quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange, since 26 April 1993. SinterCast share capital is SEK 7,090,133 at par value of SEK 1 per share. ABG Sundal Collier is the appointed liquidity provider for the SinterCast share.

The following analysts are covering SinterCast:

Henric Hintze at ABG Sundal Collier, henric.hintze@abgsc.se, +46 8 566 294 89

Per Bernhult at Stockpicker, staff@stockpicker.se, +46 8 662 06 69

Accounting Principles

The information provided on behalf of the group in this interim report has been prepared in accordance with Sweden's Annual Accounts Act and IAS 34 Interim Financial Reporting. The reporting for the Parent Company has been prepared in accordance with Sweden's Annual Accounts Act, chapter 9 interim report, and RFR 2. The accounting policies that have been applied for the group and the Parent Company agree with the accounting policies used in the preparation of the company's latest Annual Report. With effect from the 4Q 2022 Interim Report, the income statement has been reclassified. Revaluation changes of customer receivables (USD to SEK) are presented in other operating costs and income. To mitigate these currency effects, forward contracts have been established. In order to include the net currency effects in the operating result, the unrealised revaluation changes in forward contracts are now disclosed in other operating costs and income instead of in the financial net. Comparison figures have been recalculated accordingly. This change also influences the cashflow statements.

Fair Value Measurement of Financial Assets and Liabilities

The group has Financial assets consisting of derivative instruments (included in other debtors or other creditors) and commercial papers and fixed income instruments. The fair value of derivative instruments, not traded on an active market, is based on observable market currency rates. Cash flows are discounted using market interest rates. Commercial papers and fixed income instruments are traded on an active market and the fair value is determined by available market prices. These effects are recognised in the profit & loss statement.

Rounding

The total amount shown in tables and statements may not always sum to the same value due to rounding differences. The primary objective is for each line item to correspond to the source. This may sometimes result in rounding or truncation differences in the total.

Alternative Performance Measures are defined and included in this report in the Key Ratio and Share Data tables. More information of Accounting Policies is included in the Annual Report 2022, pages 52-60.

Material Transactions and Events after the Balance Sheet Date

No material transactions have taken place between SinterCast and the Board or the Management during the period. The following press releases were issued during the period:

5 July 2023 – SinterCast breaks four million Engine Equivalent milestone

16 August 2023 – SinterCast Results April-June 2023

5 September 2023 – SinterCast sets all-time production high in August

18 September 2023 – SinterCast announces financial targets and long-term growth outlook

20 September 2023 – SinterCast appoints new Operations Director

21 September 2023 – The members of the Nomination Committee for the SinterCast Annual General Meeting 2024 have been appointed

26 September 2023 – SinterCast commissions CGI installation at new Dongfeng foundry in China

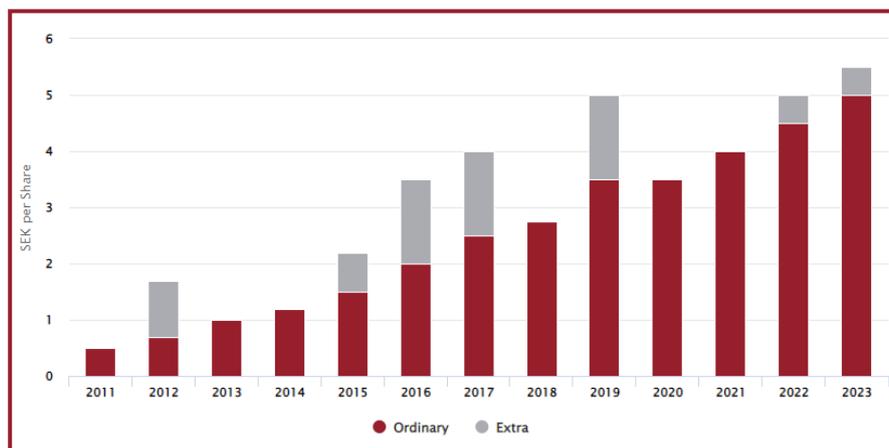
There have been no significant events since the balance sheet date of 30 September 2023 that could materially change these financial statements. The following press releases were issued after the balance sheet date:

10 October 2023 – SinterCast sets all-time production high in September and for the third quarter

Dividend and Dividend Policy

The Annual General Meeting (AGM) of the shareholders decided on an ordinary dividend of SEK 5.00 per share (SEK 4.50 per share) with an extraordinary dividend of SEK 0.50 (SEK 0.50 per share), representing a distribution of SEK 39.0 million (SEK 35.5 million) to the shareholders of SinterCast AB (publ) for the financial year 2022. The dividend will be distributed in two equal payments of SEK 2.75 per share, with the record date 19 May 2023 for the first payment and the record date 10 November 2023 for the second payment.

The Board's intention is to continue to provide an ordinary dividend to the shareholders, based primarily on the cashflow from operations. In the event that the Board considers that the liquidity exceeds the amount needed to support the operational requirements and strategic objectives, the Board has the option to propose an extraordinary dividend or a share buy-back to further adjust the liquidity. The first dividend was distributed in May 2011 for the financial year 2010 and an increasing ordinary dividend has been distributed since then. Since 2019, the dividend has been distributed in two equal instalments. Considering the dividend approved at the AGM 2023, SinterCast will have distributed SEK 282.4 million to its shareholders, representing 111% of the operating result over the same period.



Annual General Meeting

The next Annual General Meeting of SinterCast AB (publ) will be held on Tuesday 21 May 2024, at 15:00 at IVA, Stockholm.

Shareholders wishing to have a matter considered at the Annual General Meeting should provide written submissions to the Board of Directors at agm.registration@sintercast.com or: SinterCast AB (publ), Kungsgatan 2, 641 30 Katrineholm, Sweden, at least seven weeks prior to the Annual General Meeting for the proposal to be

included in the notice of the meeting. Further details on how and when to register will be published in advance of the Annual General Meeting.

Nomination Committee

The Nomination Committee has been appointed based on the ownership structure as of 31 August 2023. Ulf Stenbeck is the Chairman of the committee. The other members of the committee are Einar Ahlström, Torbjörn Gustafsson and David Walton, fund manager at Canaccord Genuity Wealth Management. The committee also includes Robert Dover, Chairman of the Board of SinterCast, as an adjunct member, with no voting rights. Shareholders who wish to submit proposals to the Nomination Committee may send an e-mail to: nomination.committee@sintercast.com.

Information

Interim Reports

October–December 2023 and Full Year Results 2023
January–March 2024
April–June 2024
July–September 2024

Publication Date

08:00 CET on 28 February 2024
08:00 CET on 24 April 2024
08:00 CET on 21 August 2024
08:00 CET on 6 November 2024

This report has been reviewed by the company's Auditors.

Stockholm 8 November 2023

For further information please contact:

Dr. Steve Dawson

President & CEO

SinterCast AB (publ)

Office: +46 150 794 40
Mobile: +44 771 002 6342
e-mail: steve.dawson@sintercast.com
website: www.sintercast.com
Corp. Id. 556233-6494

This press release contains information SinterCast AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted for publication, through the agency of the President & CEO Dr. Steve Dawson, at 08:00 CET on 8 November 2023.



Review report

To the Board of Directors of SinterCast AB (publ.)

Corp. id. 556233-6494

Introduction

We have reviewed the condensed interim financial information (interim report) of SinterCast AB (publ.) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 8 November 2023

KPMG AB

Jonas Eriksson

Authorized Public Accountant

Income Statement – Group

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Revenue	40.3	29.8	98.5	85.8	118.7	107.4
Cost of goods sold	-9.5	-6.6	-25.4	-21.6	-31.9	-31.3
Gross result	30.8	23.2	73.0	64.2	86.7	76.1
Cost of sales and marketing	-8.3	-7.8	-25.8	-22.3	-31.4	-26.6
Cost of administration	-2.1	-2.2	-7.3	-6.9	-10.2	-9.6
Cost of research & development	-4.8	-2.5	-10.0	-8.0	-10.7	-11.8
Other operating costs & income	-1.3	0.4	-2.9	-4.4	-3.8	1.3
Operating result	14.3	11.1	27.1	22.6	30.6	29.5
Financial income	0.0	0.0	0.0	0.0	0.1	0.0
Financial costs	-0.1	-0.1	-0.3	-0.3	-0.4	-0.5
Financial net	-0.1	-0.1	-0.3	-0.3	-0.3	-0.5
Result before income tax	14.2	11.0	26.8	22.3	30.3	29.0
Income tax	0.0	0.0	-0.1	3.0	2.9	3.9
Result for the period	14.2	11.0	26.6	25.3	33.1	32.9
Result attributable to:						
Equity holder of the parent company	14.2	11.0	26.6	25.3	33.1	32.9
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	2.00	1.55	3.76	3.57	4.68	4.64
Earnings per share, diluted, SEK	2.00	1.55	3.76	3.57	4.68	4.64
Number of shares at the close of the period, thousands	7090.1	7090.1	7,090.1	7090.1	7090.1	7090.1
Average number of shares, thousands	7090.1	7090.1	7,090.1	7090.1	7090.1	7090.1
Average number of shares, diluted	7090.1	7090.1	7,090.1	7090.1	7090.1	7090.1

With effect from the 4Q 2022 Interim Report, USD/SEK forward contracts have been reclassified from 'financial net' to 'other operating cost/income'. Comparison figures have been adjusted accordingly.

Statement of Result and Other Comprehensive Income – Group

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Result for the period	14.2	11.0	26.6	25.3	33.1	32.9
Other comprehensive income						
<i>Items may be reclassified to the income statement</i>						
Translation differences, foreign subsidiaries	-0.2	0.1	-0.2	0.2	0.2	0.2
Other comprehensive income, net of tax	-0.2	0.1	-0.2	0.2	0.2	0.2
Total comprehensive income for the period	14.0	11.1	26.4	25.5	33.3	33.2
Total comprehensive income attributable to:						
Shareholder of the parent company	14.0	11.1	26.4	25.5	33.3	33.2
Non-controlling interests	-	-	-	-	-	-

Balance Sheet – Group

Amounts in SEK million	30 Sep	30 Sep	30 Jun	30 Jun	31 Dec	31 Dec
	2023	2022	2023	2022	2022	2021
ASSETS						
Intangible assets	1.9	5.6	4.3	5.6	4.7	5.9
Tangible assets*	8.7	6.1	7.4	6.2	5.8	6.4
Other long term receivables	0.4	0.6	0.7	0.6	0.7	4.5
Deferred tax asset	51.1	51.1	51.1	51.1	51.1	48.1
Total fixed assets	62.1	63.4	63.5	63.5	62.2	64.9
Inventory	15.6	15.3	18.2	14.2	16.7	10.4
Short-term receivables	35.4	41.5	27.7	42.1	37.4	28.7
Short term deposits and cash at bank and in hand	23.2	20.0	13.5	10.0	14.2	27.5
Total current assets	74.3	76.7	59.4	66.2	68.3	66.6
Total assets	136.3	140.1	122.9	129.8	130.5	131.5
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity	99.7	121.6	85.4	110.5	111.9	113.8
Long term liabilities*	0.8	1.8	0.9	1.8	1.5	2.4
Current liabilities*	35.9	16.8	36.5	17.5	17.1	15.3
Total liabilities	36.7	18.6	37.4	19.3	18.5	17.7
Total shareholders' equity and liabilities	136.3	140.1	122.9	129.8	130.5	131.5

* Includes right of use assets (SEK 2.1 million) , long term lease liability (SEK 0.8 million) and short term lease liabilities (SEK 1.4 million)

Statement of Changes in Equity – Group

Amounts in SEK million	Share Capital	Paid in Capital	Exchange Differences	Cumulative Results	Total Equity
Opening balance 1 January 2022	7.1	44.9	1.5	60.4	113.8
Total comprehensive income					
Result for the period	-	-	-	25.3	25.3
Other comprehensive income	-	-	0.2	-	0.2
Total comprehensive income	-	-	0.2	25.3	25.5
Dividend	-	-	-	-17.7	-17.7
Closing balance 30 September 2022	7.1	44.9	1.7	68.0	121.6
Opening balance 1 January 2023	7.1	44.9	1.6	58.4	111.9
Other	-	-	-	0.3	0.3
Total comprehensive income					
Result for the period	-	-	-	26.6	26.6
Other comprehensive income	-	-	-0.2	-	-0.2
Total comprehensive income	-	-	-0.2	26.6	26.4
Dividend	-	-	-	-39.0	-39.0
Closing balance 30 September 2023	7.1	44.9	1.4	46.3	99.7

Cashflow Statement – Group

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Operating activities						
Operating result	14.3	11.1	27.1	22.6	30.6	29.5
Adjustments for items not included in the cash flow						
Depreciation	3.6	1.1	5.5	3.2	4.3	3.8
Other	-0.2	0.0	0.0	0.0	0.2	-0.5
Unrealised exchange rate differences	0.4	0.6	0.3	1.1	0.9	-0.3
Received interest	0.0	0.0	0.0	0.0	0.1	0.0
Paid interest	-0.1	-0.1	-0.3	-0.3	-0.4	-0.5
Paid income tax	0.0	0.0	-0.1	0.0	-0.1	-3.1
Total cashflow from operating activities before change in working capital	18.0	12.7	32.4	26.6	35.6	28.9
Change in working capital						
Inventory	2.6	-1.1	1.0	-4.9	-6.2	-1.0
Operating receivables	-7.8	-0.2	2.0	-9.9	-5.7	1.8
Operating liabilities	-0.6	-0.7	-0.7	1.5	1.8	0.1
Total change in working capital	-5.8	-2.0	2.4	-13.3	-10.2	0.9
Cashflow from operations	12.2	10.7	34.7	13.3	25.4	29.8
Investing activities						
Acquisition of intangible assets	0.0	-0.4	-0.5	-1.0	-0.6	-1.9
Acquisition of tangible assets	-1.7	0.0	-4.6	-1.0	-1.1	-0.8
Cashflow from investing activities	-1.7	-0.4	-5.1	-2.0	-1.7	-2.7
Financing activities						
Payment lease liability	-0.8	-0.3	-1.2	-1.2	-1.6	-0.7
Dividend	0.0	0.0	-19.5	-17.7	-35.5	-28.4
Cashflow from financing activities	-0.8	-0.3	-20.7	-18.9	-37.1	-29.1
Exchange rate differences in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.1
Cashflow for the period	9.7	10.0	8.9	-7.6	-13.3	-1.9
Cash - opening balance	13.5	10.0	14.2	27.5	27.5	26.3
Cash - closing balance*	23.2	20.0	23.2	20.0	14.2	27.5

* The cash and cash equivalents comprise short-term deposits and cash at bank and in hand

With effect from the 4Q 2022 Interim Report, USD/SEK forward contracts have been reclassified from 'financial net' to 'other operating cost/income'. Comparison figures have been adjusted accordingly.

Key Ratio and Share Data – Group

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Key Ratio						
Revenue*	40.3	29.8	98.5	85.8	118.7	107.4
Gross margin, %	76.4	77.9	74.2	74.8	73.1	70.9
Operating result	14.3	11.1	27.1	22.6	30.6	29.5
Operating margin, %	35.5	37.2	27.5	26.3	25.8	27.4
Result for the period*	14.2	11.0	26.6	25.3	33.1	32.9
Solidity, %	73.1	86.8	73.1	86.8	85.8	86.6
Shareholders' equity	99.7	121.6	99.7	121.6	111.9	113.8
Capital employed	99.7	121.6	99.7	121.6	111.9	113.8
Total assets	136.3	140.1	136.3	140.1	130.5	131.5
Return on shareholders' equity, %	12.8	9.5	25.2	21.5	29.4	29.6
Return on capital employed, %	12.8	9.5	25.2	21.5	29.4	29.6
Return on total assets, %	10.3	8.1	20.0	18.6	25.3	25.4
Employees						
Number of employees at the end of the period	29	32	29	32	32	30
Data per Share						
Earnings per share, SEK*	2.00	1.55	3.76	3.57	4.68	4.64
Dividend per share, SEK	-	-	2.75	2.50	5.00	4.00
Share price at the end of the period, SEK	100.0	111.8	100.0	111.8	114.0	140.8

* According to IFRS. All other key ratios and share data are defined as Alternative Performance Measures (APMs).

Gross margin %

Gross results as percentage of revenue

Operating margin %

Operating results as percentage of revenue

Solidity %

Adjusted shareholders' equity expressed as percentage of total assets end of period

Equity per share

Shareholders' equity divided by the average number of shares

Capital employed

Total assets less non-interest bearing liabilities

Return on shareholders' equity %

Result for the period as a percentage of average shareholders' equity. Quarterly values are not annualised

Return on capital employed %

Result for the period as a percentage of average capital employed. Quarterly values are not annualised

Return on total assets %

Result for the period as a percentage of total average assets. Quarterly values are not annualised

Average number of shares

Weighted average of the number of shares outstanding for the period

Average number of shares adjusted for dilution

Weighted average of the number of shares for the period adjusted for dilution

Earnings per share

Result for the period divided by the average number of shares

Earnings per share, diluted

Result for the period divided by the average number of shares adjusted for dilution

Dividend per share

Dividend divided by the number of shares

Cashflow from operations per share

Cashflow from operations divided by the number of shares

Share price at the end of the period

Latest paid price for the SinterCast share at NASDAQ Stockholm

Value presented as "0.0"

Amount below SEK 50,000

Value presented as "-"

No amount applicable

Income Statement – Parent Company

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Revenue	39.5	29.8	97.3	85.4	118.3	106.7
Cost of goods sold	-9.9	-6.2	-27.0	-21.5	-34.2	-32.5
Gross result	29.6	23.6	70.3	63.9	84.1	74.2
Cost of sales and marketing	-7.4	-7.3	-25.8	-22.2	-31.4	-26.6
Cost of administration	-2.2	-2.2	-7.2	-6.9	-10.2	-9.6
Cost of research & development	-4.8	-2.5	-10.0	-8.0	-10.7	-11.8
Other operating costs & income	-1.1	-1.8	-3.6	-7.8	-5.3	0.5
Operating result	14.0	9.8	23.7	19.1	26.4	26.7
Financial income	0.0	0.0	0.0	0.0	0.1	0.1
Financial costs	-0.2	0.0	-0.5	-0.1	-0.2	-0.1
Financial net	-0.2	0.0	-0.5	0.0	-0.1	0.0
Result before income tax	13.8	9.8	23.2	19.0	26.3	26.6
Income tax	0.0	0.0	0.0	3.0	2.9	4.0
Result for the period	13.8	9.8	23.2	22.0	29.2	30.6
Result attributable to:						
Equity holder of the parent company	13.8	9.8	23.2	22.0	29.2	30.6
Non-controlling interests	-	-	-	-	-	-
Earnings per share, SEK	1.95	1.38	3.27	3.10	4.12	4.31
Earnings per share, diluted, SEK	1.95	1.38	3.27	3.10	4.12	4.31
Number of shares at the close of the period, thousands	7090.1	7090.1	7090.1	7090.1	7090.1	7090.1
Average number of shares, thousands	7090.1	7090.1	7090.1	7090.1	7090.1	7090.1
Average number of shares, diluted	7090.1	7090.1	7090.1	7090.1	7090.1	7090.1

With effect from the 4Q 2022 Interim Report, USD/SEK forward contracts have been reclassified from 'financial net' to 'other operating cost/income'. Comparison figures have been adjusted accordingly.

Statement of Result and Other Comprehensive Income – Parent Company

Amounts in SEK million	July–September		January–September		January–December	
	2023	2022	2023	2022	2022	2021
Result for the period	13.8	9.8	23.2	22.0	29.2	30.6
Total comprehensive income for the period	13.8	9.8	23.2	22.0	29.2	30.6

Balance Sheet – Parent Company

Amounts in SEK million	30 Sep 2023	30 Sep 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022	31 Dec 2021
ASSETS						
Intangible assets	1.9	5.6	4.3	5.6	4.7	5.9
Tangible assets	6.6	3.1	5.3	3.4	3.0	2.8
Other long term receivables	2.2	2.3	2.3	2.3	2.3	6.1
Deferred tax asset	51.1	51.1	51.1	51.1	51.1	48.1
Total fixed assets	61.8	62.1	63.0	62.3	61.1	62.9
Inventory	15.4	15.0	17.9	14.0	16.3	10.3
Short-term receivables	34.9	42.6	27.2	43.0	38.2	29.0
Short term deposits and cash at bank and in hand	20.4	16.6	11.2	7.1	11.8	23.8
Total current assets	70.6	74.2	56.3	64.1	66.4	63.0
Total assets	132.4	136.3	119.3	126.4	127.5	126.0
SHAREHOLDERS' EQUITY AND LIABILITIES						
Shareholders' equity	80.8	107.1	67.0	97.3	96.6	102.9
Current liabilities	51.6	29.2	52.3	29.1	30.9	23.1
Total liabilities	51.6	29.2	52.3	29.1	30.9	23.1
Total shareholders' equity and liabilities	132.4	136.3	119.3	126.4	127.5	126.0

Statement of Changes in Equity – Parent Company

	Restricted Equity			Unrestricted Equity			Total Equity
	Share Capital	Statutory Reserve	Reserve Developm. Costs	Share Premium Reserve	Results brought Forward	Results for the Year	
Amounts in SEK million							
Opening balance 1 January 2022	7.1	9.5	5.0	35.3	15.3	30.6	102.9
Appropriation of last year's result	-	-	-	-	30.6	-30.6	0.0
Capitalised development costs	-	-	1.1	-	-1.1	-	0.0
Depreciation, development costs	-	-	-1.3	-	1.3	-	0.0
Total comprehensive income	-	-	-	-	-	22.0	22.0
Dividend	-	-	-	-	-17.7	-	-17.7
Closing balance 30 September 2022	7.1	9.5	4.8	35.3	28.4	22.0	107.1
Opening balance 1 January 2023	7.1	9.5	3.9	35.3	11.5	29.2	96.6
Appropriation of last year's result	-	-	-	-	29.2	-29.2	0.0
Capitalised development costs	-	-	0.5	-	-0.5	-	0.0
Depreciation, development costs	-	-	-3.2	-	3.2	-	0.0
Total comprehensive income	-	-	-	-	-	23.2	23.2
Dividend	-	-	-	-	-39.0	-	-39.0
Closing balance 30 September 2023	7.1	9.5	1.2	35.3	4.4	23.2	80.8